

1922 BANK CLEARINGS SHOW \$239,681,586 INCREASE OVER 1921

BANKS IN 5TH FEDERAL DISTRICT ARE STRONG

Improvement Particularly Noticeable With City Institutions—Transactions Indicate Larger Volume of Business in Closing Months of Year.

By George J. Seny,
President of the Fifth Federal Reserve Bank.

The banking institutions generally of the Fifth Federal Reserve District are in a greatly strengthened position in comparison with last year at this time. There are, of course, exceptions, chiefly among the country banks; the improvement, however, is particularly noticeable with city banks. Handling transactions indicate a larger volume of business in the closing months of the year in comparison with last year. The failure record shows improvement. There is very little unemployment in the district. Building operations continue in many places in record-breaking volume, but there has been a notable increase in construction costs during the year. Retail trade from all reporting centers is in increased volume in comparison with last year.

The textile industry of the district is quite fully occupied, and some mills are running day and night. Tobacco factories are busy and in some places are finding it difficult to secure sufficient labor. Business conditions in the district have been helped very considerably by a crop of tobacco larger than last year, selling at higher prices. North Carolina produced one of her largest cotton crops, and that crop is also selling at prices very much higher than at this time last year. In South Carolina, however, the crop suffered severely, principally from the ravages of the boll weevil. This insect is a very great menace to the prosperity of both North and South Carolina and indirectly to the rest of the district. It is the opinion of intelligent, practical and experienced men that a remedy for the boll weevil has been found in calcium arsenate, but there is a shortage in the supply of this chemical; moreover, the remedy loses in effectiveness unless it is applied by all growers in contiguous territory, since it is next to useless to apply it to one field of cotton when it is not applied in the adjoining field. It is well understood, therefore, that an active campaign will be needed to induce growers to apply it.

Outlook is Bright.

Reports which come to us indicate that we shall enter the New Year with prospects of an increased and sustained volume of business. The limit to the supply of labor may place an automatic check upon production and likewise increase the cost of production. The public has heretofore given a convincing demonstration that prices will govern consumption and construction, and if prices are permitted to mount high, from whatever cause, they will constitute a menace to continued business activity.

Our present immigration laws place a limit upon immigration, the main source from which we have been deriving our unskilled labor in times of unusual business activity. There still exists an inequality between the prices of agricultural products received by the grower and the prices which the grower is compelled to pay for goods which he must buy. If these conditions were fairly adjusted, we might look for a period of unexampled activity in domestic business. The transportation situation also is not satisfactory and places a limit upon manufacturing and producing activities. If we cannot transport what we produce and manufacture, there is no gain. It seems impossible to convince the shippers and the people of the country generally, and particularly, perhaps, the legislators, that without a prosperous transportation industry business cannot continue to thrive.

Largest in Its History.

The Federal Reserve Bank of Richmond transacted during the year the largest volume of business in its history, contrary to impressions which seem to prevail in some quarters. Expressed in dollars and cents, the report for the year, when published, will not indicate accurately the comparative volume of business done, but the physical volume of banking business in all departments of the bank except the discount department has been greater than in any previous year. The number of items handled for member banks by the discount department will show a material decrease, but this decrease in comparison with the increase of other important departments of the bank is very small. On the other hand, the credit work of the discount department has been very active during the year, owing to conditions which have existed. The check collection (or clearing) department has far surpassed all previous activities, and the results will probably show nearly 42,000,000 checks handled during the year. 139,000 checks have been handled in a single day in the Richmond office alone. The currency department has handled by far the greatest number of notes since organization, owing to increased convenience and facilities for the new banking quarters and to the increased efficiency of the clerical force, a larger volume of business has been handled with a smaller force of employees and a smaller pay roll than in the previous year. On January 1, 1922, the employees of the bank in Richmond numbered 565, and on December 1, 1922, they numbered 534.

Within the past six weeks the loans of the bank have expanded from \$40,000,000 to \$38,000,000. The increase in discounted paper has been nearly altogether with city banks, which indicates greater activity in the manufacturing and distributing centers. Last year at this time we were lending to our member banks \$101,000,000. The banks of the district generally were then in a very extended condition and had become, to use a now familiar expression, "frozen" in their loan departments. They were unable to accommodate much new business, and their usefulness was in many cases in renewing old loans. The present position of the banks, therefore, as stated at the opening of this article, is greatly improved, and strengthened. They are now in position to do a very much larger volume of live, active business, in which the turnover does not exceed the usual commercial period.

RENEWED MORALE MAIN TASK OF ROADS

No Justification for Wage Increases in Present Conditions.

By William A. Winburn,
President Central of Georgia Railway Company.

There is no justification for any increase in wages, which are generally higher than in other industries. There should not be any reduction in freight or passenger rates until the railways have caught up with deferred maintenance to an extent that will enable them to offer safe and adequate transportation. It is also important that the railways be allowed a scale of rates that will permit them to re-establish sufficient credit to assure their financing, so that facilities may be provided to handle the country's business.

There appear to be only two features of the transportation act which are the subject of serious consideration at this time. The first concerns the character and authority of the United States Railway Labor Board. I think its creation was altogether necessary, and that, as nearly as it is practicable to make them so, its findings should be the law of the land. Personally, I should be glad to see its functions more nearly associated with the Interstate Commerce Commission.

The other live question is the proposed consolidation of railways into large systems. It seems to me that the existing provisions of the law are as far as we can safely go at this time. Consolidations are already the order of the day. In all probability at the expiration of the seven-year permissive limit, under which the railways are now proceeding, an entirely changed situation will exist. There will be time enough to determine what, if any, changes ought to be made in that provision of the act.

The shop forces of the Central of Georgia Railway have already been restored to normal, both in point of numbers and skill. Considering the handicaps under which the railways have been operated since the spring of 1918, their present condition seems to me to be remarkably good. Continuing them in the larger view, it appears that individual management are actively and successfully striving to restore them to full efficiency—an undertaking which I think the public should support by refraining from hasty tinkering with existing regulatory laws, until their adequacy has been given a fair test.

Our present intention is to spend about \$2,500,000 in new equipment, and about \$500,000 for purchases of other than equipment.

I hope and believe that the worst situation in regard to car shortage has been passed.

OCTOBER, \$234,494,425, BANNER MONTH OF YEAR

First Quarter of Twelve Month Period Showed Falling Off.

OTHER MONTHS RECORD GAINS

Total for Cycle Ending Today, With Closing Week Omitted, \$2,341,358,808, Compared With \$2,091,674,217 Last Year.

Reports of the Richmond Clearing-House Association show that bank clearings for the months of January, February and March, 1922, fell behind the total for the corresponding months in 1921, but the last nine months of 1922 each show a decided increase over the same period in 1921. The total for 1922, with the clearings for the final week omitted, was \$2,341,358,808, which, compared with the total for 1921, \$2,091,674,217, shows an increase of \$259,681,586 in volume of business for 1922.

The clearing-house reports form the best business barometer because they show the total of the flow of money as represented in checks and negotiable papers.

Beginning with April, there was a neat increase each month in the totals, September being the first month to go over the \$200,000,000 mark, when \$205,333,018 was registered. October, with a total of \$234,494,425, held the banner for the year until December, with five weeks, had a total of \$257,495,644 up to the time this article was prepared.

The totals for the weekly clearings this year, as compared with the corresponding weeks in 1921, follow:

1922	1921
January 7	\$193,103,341
January 14	\$244,195,155
January 21	\$239,659,659
January 28	\$266,634,444
February 5	\$232,811,531
February 12	\$232,811,531
February 19	\$232,811,531
February 26	\$232,811,531
March 5	\$232,811,531
March 12	\$232,811,531
March 19	\$232,811,531
March 26	\$232,811,531
April 2	\$232,811,531
April 9	\$232,811,531
April 16	\$232,811,531
April 23	\$232,811,531
April 30	\$232,811,531
May 7	\$232,811,531
May 14	\$232,811,531
May 21	\$232,811,531
May 28	\$232,811,531
June 4	\$232,811,531
June 11	\$232,811,531
June 18	\$232,811,531
June 25	\$232,811,531
July 2	\$232,811,531
July 9	\$232,811,531
July 16	\$232,811,531
July 23	\$232,811,531
July 30	\$232,811,531
August 6	\$232,811,531
August 13	\$232,811,531
August 20	\$232,811,531
August 27	\$232,811,531
September 3	\$232,811,531
September 10	\$232,811,531
September 17	\$232,811,531
September 24	\$232,811,531
September 30	\$232,811,531
October 7	\$232,811,531
October 14	\$232,811,531
October 21	\$232,811,531
October 28	\$232,811,531
November 4	\$232,811,531
November 11	\$232,811,531
November 18	\$232,811,531
November 25	\$232,811,531
December 2	\$232,811,531
December 9	\$232,811,531
December 16	\$232,811,531
December 23	\$232,811,531
December 30	\$232,811,531

The weekly statements are compiled each Saturday at noon. The monthly statements are compiled at the end of each month. These for 1922 and 1921 are as follows:

1922	1921
January	\$173,409,362
February	\$152,189,665
March	\$171,194,634
April	\$169,527,393
May	\$179,828,284
June	\$188,025,242
July	\$177,849,902
August	\$192,365,769
September	\$205,184,818
October	\$214,494,425
November	\$213,644,424
Dec. to 28	\$217,469,645

LABOR SHORTAGE MAY BE LIMITING FACTOR

But Business Prosperity in 1923 Seems to Be Assured.

By Leonard P. Ayres,
Vice-President, Cleveland Trust Company.

I expect the recovery in business to continue during 1923. The upturn from the depression was largely caused because there had come into existence serious accumulated shortages of building construction, of railroad equipment, and of stocks of goods in retail stores. During 1922 industry and commerce have been busy trying to make up those shortages. The process is still under way and still far from completed. It may confidently be expected to continue in 1923.

Among the stimulating influences there are four of special importance. They are good crops, easy money rates, rising prices and profit-taking industrial activity. These are all effective factors as 1922 draws to a close, and together with the still-existent shortages of goods left as a result of the war years and the late depression, they should insure a year of business activity and prosperity in 1923.

It seems probable that the combination of a shortage of rolling stock on the railroads and a shortage of labor will hamper expansion of business and limit it to a relatively brief period of prosperous activity. These two handicapping factors seem likely to be further complicated by another serious coal strike. Conditions in Europe will undoubtedly be disquietingly unsettled, but it now seems somewhat improbable that they will exert an important harmful influence on American business activity within the coming twelve months.

It seems probable that wholesale prices, retail prices, and the cost of living will all tend to rise during most of 1923. They are all rising at the present time, and have been doing so for some months past. It does not appear likely that they will cease to do so in the immediate future. It would not be surprising if the rise in wholesale prices should culminate in the latter part of 1923. The general trend of money rates may be expected to be a rising one during 1923. It would appear likely that a noticeable upward movement in interest rates might begin early in the year, and that an irregularly advancing money market might be recorded up to the beginning of 1924.

The labor situation in the building trades in Cleveland is characterized by a shortage in workers and very high wages. In the iron and steel industries there are real shortages, which are serious in the case of unskilled labor. In most other lines, conditions may be described as satisfactory.

With regard to reparations and interrelated debts, including those owing to this country, this is not a question that can be answered as a part of a brief estimate of the business situation for 1923. It relates not to coming year, but to the coming decades. It challenges the best thought of the ablest statesmen and

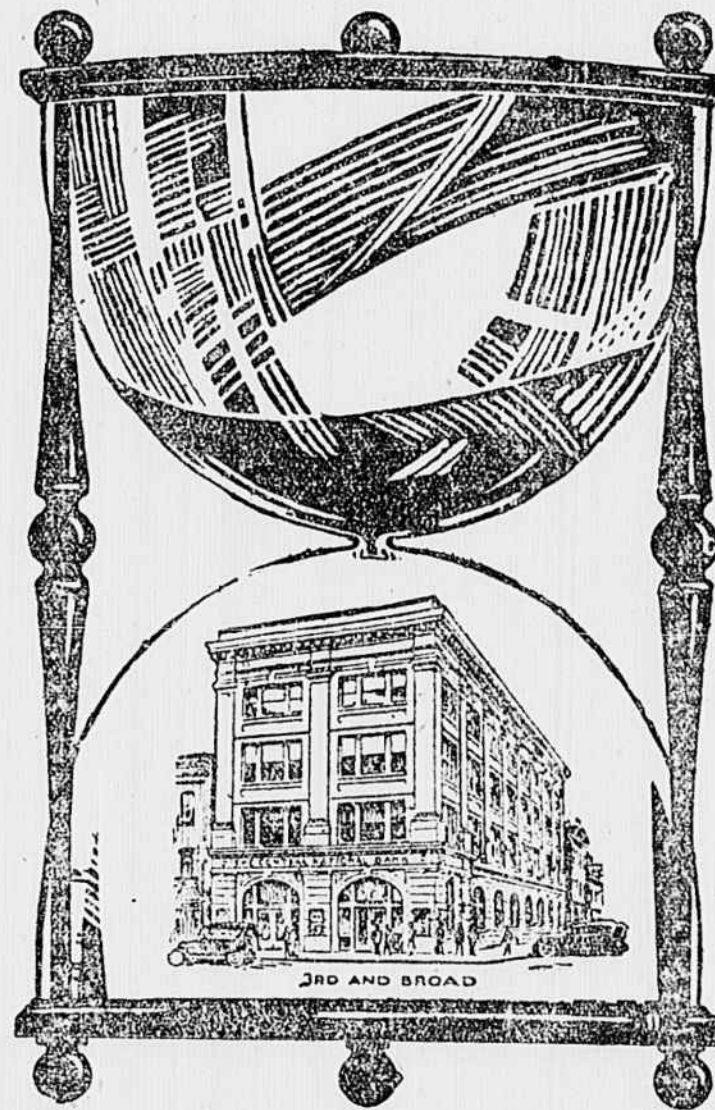
most competent economists of all nations. It affects every country. It is too complicated and serious a matter to attempt to deal with here.

FIVE ASPHYXIATED

Mother and Four Children Victims of Kitchen Accident.

(By Associated Press.)
SYRACUSE, Dec. 30.—Mrs. Katherine R. Simone and her four young children were asphyxiated by gas escaping from a kitchen range and a water heater at their home early today. Mrs. Simone evidently was preparing breakfast for her husband, a night worker, when all were overcome. He discovered the bodies upon his return home. He was so overwhelmed by the tragedy that he was removed to a hospital.

ACHIEVEMENT



Nineteen hundred and twenty-two goes down in history as a banner year for "Your Bank."

With a broadened banking service, the equal of the larger banks of the country, "Your Bank" daily throughout the year now about to be ushered out, gained materially in both deposits and the number of its pleased patrons.

Today, the last day of the year, finds "Your Bank" ready to enter upon its new duty of serving the people faithfully throughout the coming Three Hundred and Sixty-Five Days of the New Year, Nineteen Hundred and Twenty-Three.

It is by service, courtesy and protection, location and convenience we will continue to serve the people of Richmond.

When you bank at "Your Bank," The Central National Bank, you find banking above par. "The Friendly Interest" we show in each individual patron is a fact commented upon most favorably throughout Richmond.

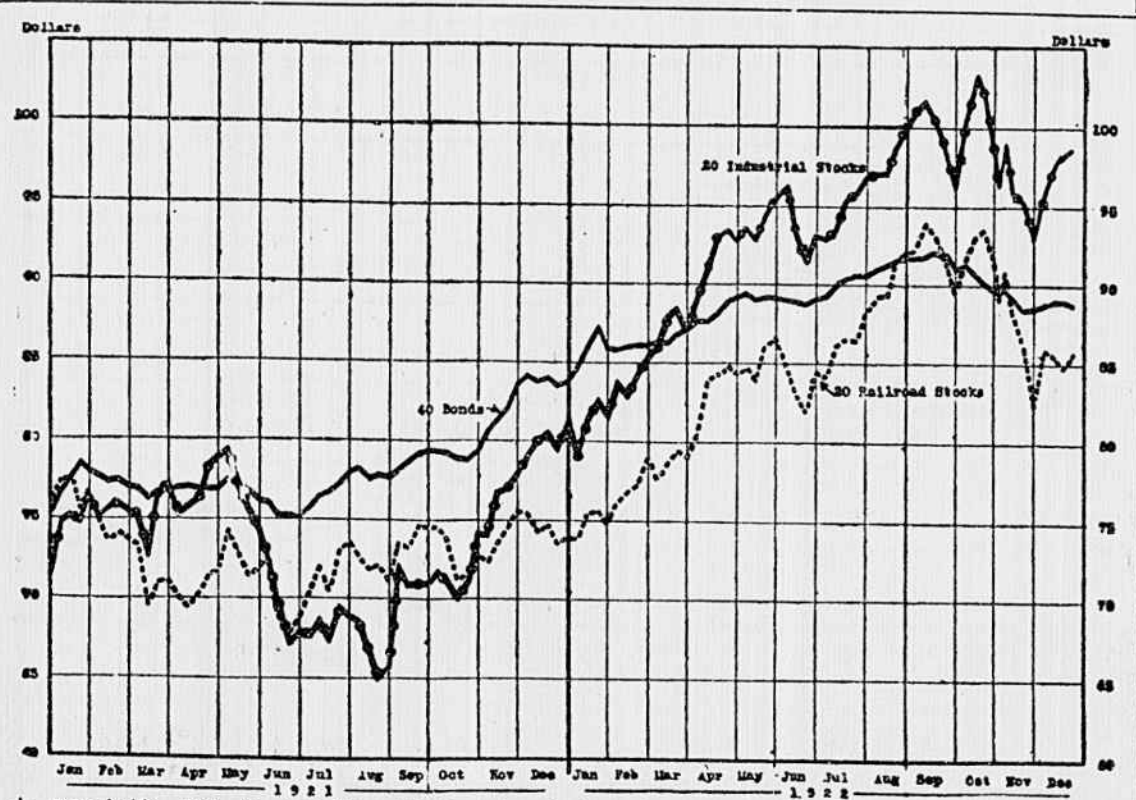
We thank you for your patronage during the past years, and trust to be favored with your valued patronage during the year Nineteen Hundred and Twenty-Three and the years to come.

This Is "Your Bank" for All Your Banking.
Each Officer and Employee Takes Pleasure in Serving You.

The Central National Bank

"Friendly Banking Service Just Where You Want It."
3rd and Broad

SECURITY PRICES REACT AFTER BIG RISE



A remarkable rise in security prices lasting for something over a year reached its culmination in September and October. The recovery in bond prices which followed the cessation of liquidation in 1921 and the return of pronounced ease in money is one of the most remarkable in history. Its end coincided with the autumn's large increase in business activity and with a distinct hardening in money rates. The subsequent reaction undoubtedly was emphasized by speculative profit taking. It is apparent that over the movement as a whole, industrial stocks have outstripped rails. At time during the past year rails have shown a tendency to catch up, but their recovery from the October and November reactions, which have been attributed to an overextended speculative position, is much smaller than that in the case of industrials. (C. 1922, by N. Y. Evening Post, Inc.)